

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARINGS
MINUTES APRIL 16, 2013

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, April 16, 2013 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry Representative), Mary Addington Quillen (Public Representative), Rita Surratt (Public Representative)

Also present were Diane Davis (Division of Gas and Oil), Rick Cooper (Principal Executive to the Board), Sarah Gilmer (Division of Gas and Oil), Sharon M. B. Pigeon (Sr. Assistant Attorney General) Ms. Mary Quillen served as Chairman for the April hearing.

1. The board will receive public comments.

Juanita Sneeuwaght addresssed the Board.

2. The Board will receive a quarterly report from First Bank and Trust, Escrow Agent for the Virginia Gas and Oil Board.

Debbie Davis and C. J. Carter apeared on behalf of First Bank and Trust. Ms. Davis advised the Board that the escrow account had a beginning balance of \$27,639,043.14 with an ending balance of \$27868, 848.16 for the quarter ending March 2013. C. J. Carter gave an overview of investments stating he did not see any rates going higher and that rates had actually come down. Mr. Carter recommends that the CD's are the zero risk and best place to be. Investments are insured by FDIC.

3. A petition from EQT Production Company for disbursement of funds from Escrow on behalf of Edward Galyon and Rebecca J. Galyon in Tract 6 for well VC-537869, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 07-1016-2046-01. Continued from March 2013.

The petition was Granted. The petition was approved as submitted.

4. A petition from EQT Production Company for the disbursement of funds and authorization of direct payment to Cheryl Fields, Teresa Campbell and Range Resources-Pine Mountain, Inc. in Tract 3 for Well VC-551315, Castlewood District, Russell County, Virginia. To resolve the conflict, a letter dated November 7, 2006 signed by Jerry Grantham, VP of Range Resources-Pine Mountain was provided. Docket Number VGOB 06-0620-1653-01. Continued from March 2013.

The petition was Granted. The petition was approved as submitted.

5. A petition from EQT Production Company for disbursement of funds from escrow in Tracts 2-7 on behalf of Range Resources-Pine Mountain for well VC-504659, Kenady Magisterial District, Dickenson County, Virginia. Docket No. 02/05/21-1030-01. Continued from March 2013.

The petition was Granted. The petition was approved as submitted.

6. A petition from EQT Production Company for disbursement of funds from escrow on behalf of Range Resources-Pine Mountain, Inc., Lonnie Rayford Counts, James E Counts, Maynard Counts, Linda Gail Chafin, William Larry Counts, Lora Lee Counts, Kevin Counts, Teresa Campbell and Cheryl Fields, Drilling Unit Number VC-501854 created by Board Order Dated January 15, 2008, VGOB 07/12/18-2102 in Russell County, VA. Docket Number VGOB 07-1218-2102-01.

The petition was Continued to May, 2013. The petition was continued to May.

7. A petition from EQT Production Company for Petition for disbursement of funds on behalf of the heirs of Viola E Carter for Tract 6 for Well V-502726. Docket Number VGOB 04-1116-1362-01.

The petition was Granted. The petition was approved as submitted.

8. A petition from Range Resources-Pine Mountain for modification of the Nora Coalbed Methane Gas Field Rules, to allow one additional coalbed gas well to be drilled within each of the 58.77 acre Nora Units identified in Exhibit A. Docket Number VGOB 89-0126-0009-80.

The petition was Granted. The petition was approved as submitted.

9. A petition from Range Resources-Pine Mountain for pooling of Well No. V-530347, Roberson District, Wise County, Virginia. Docket Number VGOB 13-0416-4008.

The petition was Continued to May, 2013. The petition was continued to May 2013.

10. The Board will review of the Virginia Gas and Oil Board Arbitration Regulations for further consideration. Docket Number VGOB 13-0416-4009.

Michael Skiffington, Program Support Manager, reviewed the final Board Arbitration Regulations. He stated if approved by the Board, the Regulations would proceed through the final stage of approval. A motion was made and seconded with all in favor for accepting the Arbitration Regulations which included the one change in Section 60 as addressed.

11. The board will receive an update of Board and Division activities from the staff.

Rick Cooper discussed scanning of Board files and working with operators to do housekeeping of the escrow account. He requested that Range Resources receive the 25% of the split agreement for docket 1109. Citizens were dispensed earlier and the correction needs to be made in order to proceed with future disbursements. Motion and second to approve the disbursement previously approved.

12. The board will review the March 2013 minutes for approval.

The petition was Accepted. The minutes for March were approved.

13. A permanent release of cbm royalty from Range Resources-Pine Mountain, Inc. from Jerry Grantham waiving any claim, past or future, to royalties attributable to the interests of Hurley Ratliff in this well, Prater District, Buchanan County, Virginia. Docket Number VGOB 09-1117-2635-01.

The petition was Granted. The disbursement was approved by the Board with the stipulation that EQT Production Company re-pool this unit no later than June 2013.

The hearing adjourned at 10:47 am